

## Analysis

### Item 18: Department of State Police

#### Fire Season Costs

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**Analyst:** Julie Neburka

**Request:** Allocate \$6,625,000 from the Emergency Fund and increase Other Funds expenditure limitation by \$19,875,000 for the Department of State Police, Office of the State Fire Marshal for costs incurred during the 2020 fire season.

**Analysis:** The Office of the State Fire Marshal (OSFM) is responsible for mobilizing firefighting resources throughout the state when local fire agencies are not able to protect structures from fire on their own. Between August 12th and September 14th of this year, OSFM mobilized firefighting resources eighteen times in response to conflagrations declared by the Governor for overwhelming wildfires burning in many western parts of the state. A record nine conflagrations and one statewide conflagration were declared within one 24-hour period alone (September 7th-8th), a singular data point marking the breadth and extent of September's wildfire disaster.

During a mobilization, firefighters and equipment from other fire protection agencies in the state are "loaned" to the local agency for the duration of the incident. OSFM coordinates such mobilizations. The Emergency Conflagration Act (ORS 476.510 - 476.610) governs mobilizations, and requires that "...the state shall reimburse the political subdivision supplying such aid..." and shall "...draw warrants on the State Treasurer for the payment of all duly approved claims..." As a practical matter, the Department of State Police (OSP) budget initially reimburses local agencies for mobilizations, and in turn seeks reimbursement from the federal government for eligible expenses, and requests state resources for the non-federally reimbursable share.

Wildfires that threaten populated areas are typically eligible for reimbursement through the Federal Emergency Management Agency's (FEMA) Fire Management Assistance Grant (FMAG) Program. This program will reimburse states for up to 75% of the eligible costs incurred to fight large, destructive wildfires. Similarly, the federal Bureau of Indian Affairs (BIA) will reimburse states 100% of the cost of fighting wildfires on tribal lands. To be reimbursable under the FMAG program, FEMA evaluates a fire's potential for destruction against four criteria:

- Threat to lives and improved property, including threats to critical infrastructure and watershed areas;
- Availability of state and local firefighting resources;
- High fire danger conditions; and
- Potential major economic impact.

Wildfires that do not meet these criteria are not eligible for reimbursement through the FMAG Program. In 2020, seventeen fires are eligible for federal reimbursement through the FMAG program, as shown in the table below; an eighteenth fire that burned on the Warm Springs reservation will be reimbursed 100% by the Bureau of Indian Affairs. The initial cost estimate of the response to these conflagrations totals \$26.5 million, 75% of which (\$19.9 million) is anticipated to be reimbursed by FEMA, and 25% of which (\$6.6 million) is the state's responsibility.

FEMA-FMAG Declared Conflagrations 2020	Mobilization Dates	Initial Cost Estimates	25% State Share	75% Federal Share
Mosier Creek Fire	August 12-17	\$ 1,121,306	\$ 280,327	\$ 840,980
White River Fire	August 28 - September 1	\$ 970,152	\$ 242,538	\$ 727,614
Beachie Fire	September 7-17	\$ 2,684,856	\$ 671,214	\$ 2,013,642
Lionshead Fire	September 7-17	\$ 144,720	\$ 36,180	\$ 108,540
Two Four Two Fire	September 8-15	\$ 298,159	\$ 74,540	\$ 223,619
Holiday Farm Fire	September 8-20	\$ 3,719,647	\$ 929,912	\$ 2,789,735
Echo Mountain Fire	September 8-22	\$ 1,539,840	\$ 384,960	\$ 1,154,880
Powerline Fire	September 8-13	\$ 377,308	\$ 94,327	\$ 282,981
Pike Road Fire	September 8-10	\$ 12,060	\$ 3,015	\$ 9,045
N. Cascades Complex Fire	September 8-17	\$ 3,081,877	\$ 770,469	\$ 2,311,408
Almeda Fire	September 8-15	\$ 425,432	\$ 106,358	\$ 319,074
S. Obenchain Fire	September 8-18	\$ 992,676	\$ 248,169	\$ 744,507
Riverside Fire	September 8-17	\$ 2,589,860	\$ 647,465	\$ 1,942,395
Archie Fire	September 8-19	\$ 312,938	\$ 78,235	\$ 234,704
Peak Fire	September 9-October 2	\$ 312,938	\$ 78,235	\$ 234,704
Slater Fire	September 9-29	\$ 7,633,729	\$ 1,908,432	\$ 5,725,297
Brattain Fire	September 14-19	\$ 282,502	\$ 70,626	\$ 211,877
<b>Total cost estimates</b>		<b>\$ 26,500,000</b>	<b>\$ 6,625,000</b>	<b>\$ 19,875,000</b>

**Payments and Reimbursement:** In costly fire years, the timing of payments to local agencies for mobilizations and reimbursement from FEMA presents a cash flow problem for OSP. Federal grant guidelines and generally accepted accounting principles require that federal reimbursement revenues be recorded when the reimbursable expenditures are incurred. This accounting treatment can present cash flow problems if reimbursements are delayed and other resources are not available to cover expenses in the near term. Over the past several biennia, the time it has taken to request and receive FMAG reimbursements from FEMA has ranged from 14 months to 30 months, requiring the General Fund to “carry” the expense until reimbursement is received.

During the 2017-19 biennium, the agency received a total of \$15,509,000 General Fund for the purpose of “cash float” needed to pay local fire agencies for responding to fires in the 2017 and 2018 fire seasons. Funding was provided by the Emergency Board at its September 26, 2018 meeting (Item #34) and at its December 14, 2018 meeting (Item #21), with the understanding that the agency would reimburse the General Fund in the 2019-21 biennium when federal reimbursements were received. OSP was reimbursed for one fire and returned \$1,429,048 to the General Fund in the 2017-19 biennium, leaving a balance of \$14,079,952 due upon receipt of federal funds. As OSP reports having been fully reimbursed for the remaining 2017 and 2018 fires, the Legislative Fiscal Office recommends that these funds be used to extend the “cash float” until the federal share of costs related to the 2020 fire season are received from FEMA, likely during the 2021-23 biennium. This action will allow the agency to reimburse local fire agencies for their response to the 2020 fires without additional General Fund support in the current biennium.

**Legislative Fiscal Office Recommendation:** The Legislative Fiscal Office recommends that the Emergency Board allocate \$6,625,000 from the Emergency Fund and increase Other Funds expenditure limitation by \$19,875,000 for the Department of State Police for costs incurred during the 2020 fire season, with the understanding that \$14.1 million of wildfire reimbursements from FEMA for the 2020 wildfires be credited to the General Fund upon receipt.

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**Request:** Allocate \$6,625,000 from the Emergency Fund and increase Other Funds expenditure limitation by \$19,875,000 for the Department of State Police, Office of the State Fire Marshal for costs incurred during the 2020 Wildfire Season.

**Recommendation:** Approve the request.

**Discussion:** The Department of State Police (OSP), Office of the State Fire Marshal (OSFM) mobilized emergency response resources for 17 conflagration orders between August 12 and September 14. Under the conflagration statutes, communities are to be reimbursed for their participation in response to the emergency order. OSFM, through the OSP General Fund budget, reimburses the local government emergency response teams within 120 days of being invoiced. OSFM reviews all invoices for valid expenditures.

The 17 conflagrations were located in the following areas:

FEMA-FMAG Declared Conflagrations 2020	Mobilization Dates	Initial Cost Estimates	25% State Share	75% Federal Share
Mosier Creek Fire	August 12-17	\$ 1,121,306	\$ 280,327	\$ 840,980
White River Fire	August 28 - September 1	\$ 970,152	\$ 242,538	\$ 727,614
Beachie Fire	September 7-17	\$ 2,684,856	\$ 671,214	\$ 2,013,642
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All conflagrations qualified for the Federal Emergency Management Agency (FEMA), Fire Management Assistance Grant program. This program is a 75/25 percent federally funded match program, meaning FEMA will pay up to 75 percent of all eligible expenses. OSFM has estimated incurring \$6,625,000 in expenses from local emergency response teams for these fires. Though the conflagration orders have expired, local entities have 90 days from the end of their service to submit for reimbursement. OSFM has not received all invoices and are diligently working through the ones received thus far.

The request for \$19.9 million Other Funds expenditure limitation will allow the OSP to capture the FEMA reimbursements and distribute funding to the local emergency response entities for eligible expenditures.

**Legal Reference:** Allocation of \$6,625,000 from the State Emergency Fund to supplement the appropriation made by chapter 568, section 1(1) Oregon Laws 2019, for the Department of State Police, Office of the State Fire Marshal for the 2019-21 biennium.

Increase the Other Funds expenditure limitation established by chapter 568, section 2(1), Oregon Laws 2019, for the Department of State Police, Office of the State Fire Marshal by \$19,875,000 for the 2019-21 biennium.



**November 4, 2020**

The Honorable Senator Peter Courtney, Co-Chair  
The Honorable Representative Tina Kotek, Co-Chair  
State Emergency Board  
900 Court Street NE  
H-178 State Capitol  
Salem, OR 97301-4048

Dear Co-Chairpersons:

### **Nature of the Request**

The Department of State Police (the Agency) respectfully requests permission to appear before the December 2020 Emergency Board to request an allocation of \$6,625,000 from the Emergency Fund for extraordinary costs associated with the 2020 fire season and increase the Agency's Other Fund Limitation by \$19,875,000.

### **Background**

The Office of State Fire Marshal (OSFM), a Bureau within the Department of State Police, is responsible for mobilizing, managing and directing the Oregon Fire Service during major emergency operations through the Conflagration Act. Under ORS 476.520 – 476.610, the State Fire Marshal is required to prepare plans to carry out statutory provisions and provide advice and counsel to the Governor for the most practical use of fire-fighting resources.

The Conflagration Act is invoked by the Governor when structures and communities are threatened by wildfire that exceed their capacity. When this occurs OSFM mobilizes, supports and provides the leadership for the Oregon fire service resources that come from 305 fire departments across our State. When called upon the OSFM is also responsible for all aspects of the mobilization of the Incident Management Teams, which provide the leadership and management of these large catastrophic wildfires. Under the Conflagration Act, these local fire departments, which have responded to protect our communities have 60 days to submit invoices to the OSFM for payment of costs incurred during their response. Following the submission of the invoices, the OSFM is required to reimburse local fire agencies within 90 days of receiving the invoice

When the Conflagration is invoked, and certain thresholds are met, states may request Federal assistance from the U.S. Department of Homeland Security / Federal Emergency Management Agency (FEMA) through the Fire Management Assistance Grant (FMAG) Program. In the State of Oregon, the Oregon Department of Forestry (ODF) is the Governor's Authorized

Representative and OSFM is a “sub-recipient” of ODF under the FMAG. When an FMAG is approved FEMA will pay up to 75% of **eligible** fire costs under the FMAG. The 2020 fire season, due to its complexity and severity, required OSFM and the Oregon Fire Service to respond to a historic 17 conflagrations and FMAG fires.

### **Agency Action**

#### **2020 Fire Season and Agency Estimated Costs**

For Oregon, 2020 will be remembered as the most devastating fire season on recent record, significantly surpassing the challenging and devastating 2013, 2015, 2017 and 2018 fire seasons. As of October 2020, approximately 2,045 fires have burned approximately 1.28 million acres- more than double the ten-year average. Oregon experienced unthinkable fires that took lives, threatened thousands upon thousands more lives, destroyed approximately 4,100 homes and approximately 1,500 other buildings. We saw significant impacts to air and water quality, recreation sites, scenic & historic sites, and standing timber. At the apex of wildfire season with fires burning from border to border over 500,000 citizens were in some level of evacuation and countless more sheltered in their homes as smoke choked the entire state.

Governor Brown invoked the Conflagration Act an unprecedented 14 times along with a Statewide declaration that allowed the OSFM to surge and move resources as needed across Oregon. This is the highest number of conflagrations ever declared within a 24 hour period and certainly within one fire season. *(See Attachment A – map of statewide conflagrations)*. This required a response like nothing the Office or Fire Service has seen or is staffed for, causing significant resource shortages and requiring resources from other states. The state or Oregon brought in resources from all over the United States. The need for additional resources was significant as the Oregon fire service resources were depleted and we were in competition with other states such as California that were experiencing similar fires and need.

The Agency estimates 2020 fire season costs totaled \$26.5 million, the costliest fire season to date since the Oregon Conflagration Act was first created. For the OSFM and our partners in the Fire Service 17 of these large catastrophic wildfires are FEMA eligible and we anticipate the federal government to cover 75% of the \$26.5 Million. The remaining States share 25% is estimated to be \$6.625 M. *(see Attachment B- State Share Fire season costs)*

During the 2017-19 biennium, the agency received a total of \$15,509,000 in General Fund for the purpose of “cash float” in order to pay local fire agencies for responding to fires in the 2017 and 2018 fire seasons with the expectation that the Agency would reimburse the state General Fund when federal reimbursements were received. The Agency returned \$1,429,048 to the General Fund in the 2017-19 biennium, leaving a balance of \$14,079,952 due to the state General Fund. The Agency has received a total of \$14,542,589 from the Federal Emergency Management Agency (FEMA) to date for the federal share of costs related to the 2017 and 2018 fires.

The Agency is respectfully requesting to extend the “cash float” of \$14,079,952 due to the state General Fund until the federal share of costs related to the 2020 fire season are received from FEMA. This will allow the Agency to utilize these funds to pay local fire agencies for their response to the 2020 fires. The total estimated cost for the 2020 fire season is \$26.5 million, which is the costliest fire season to date since the Oregon

**Action Requested**

The Department of State Police respectfully requests permission to appear before the December 2020 Emergency Board to request an allocation of \$6,625,000 from the Emergency Fund for extraordinary costs associated with the 2020 fire season and increase the Agency’s Other Fund Limitation by \$19,875,000.

**Legislation Affected**

SB5530, Chapter 568, section 1(1), Oregon Law 2019 - \$ 6,625,000  
SB5530, Chapter 568, section 2(1), Oregon Law 2019 - \$19,875,000

Thank you for your time and consideration.

Sincerely,

A handwritten signature in blue ink, appearing to read "Terri Davie".

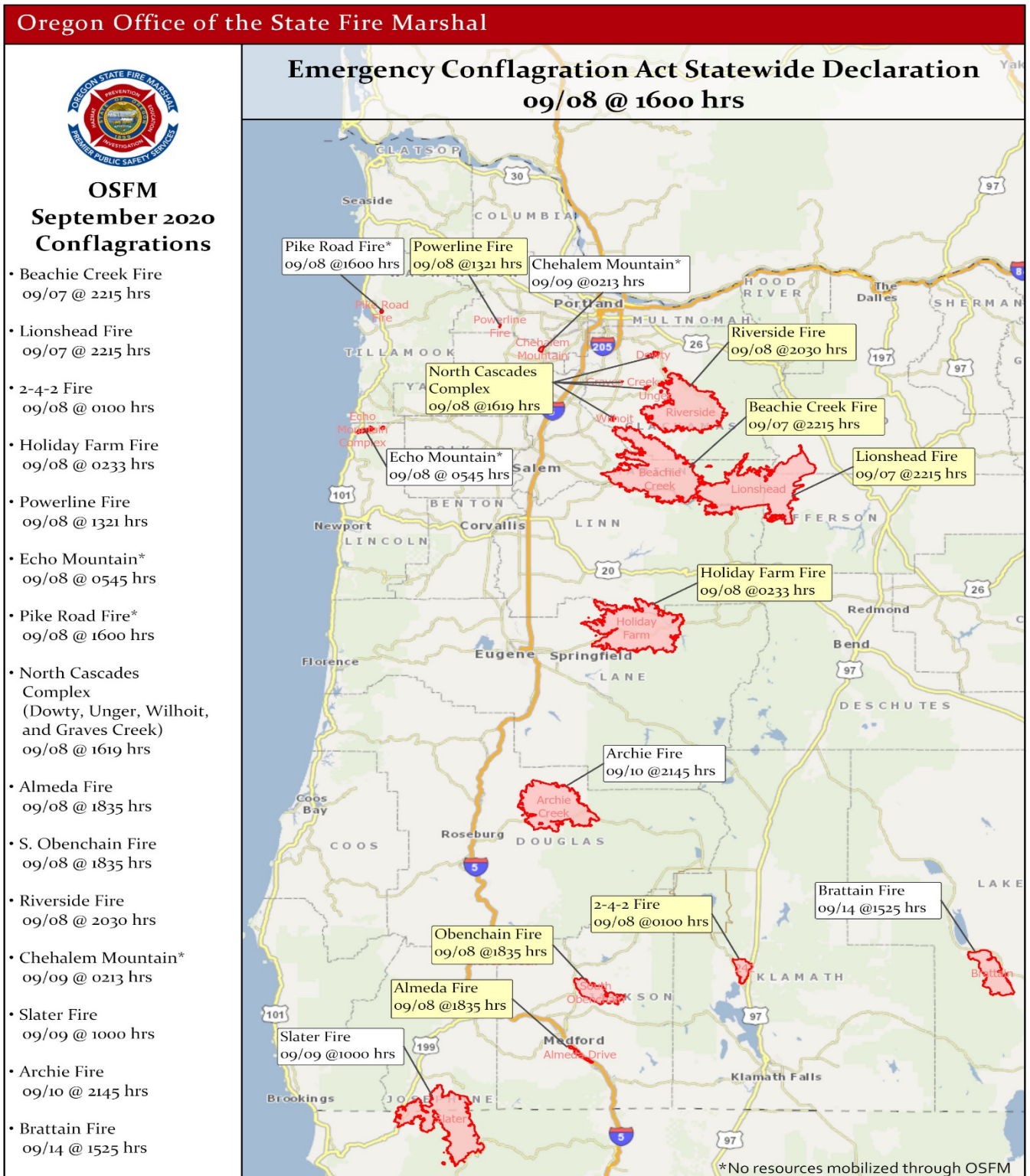
Terri Davie  
Superintendent  
Oregon State Police

cc:     Constantin Severe, Governor’s Office  
          Julie Neburka, Legislative Fiscal Analyst  
          Michelle Lisper, DAS/CFO Policy & Budget Analyst  
          Jon Harrington, OSP Deputy Superintendent  
          Traci Cooper, OSP Chief Financial Officer

Attachment A – Map of September 2020 Conflagrations  
Attachment B – Cost estimates of 2020 Conflagrations



Attachment A- Map of September 2020 Statewide Conflagration





Attachment B- Cost estimates of 2020 Conflagrations

**Oregon State Police**  
**Office of State Fire Marshal / FEMA-FMAG declared conflagrations**  
**2020 Conflagration Cost Estimates**

<b>FMAG</b>	<b>Mob</b>	<b>De-Mob</b>	<b>Fire</b>	<b>Estimate</b>	<b>State 25%</b>	<b>Federal FMAG 75%</b>
Yes	08/12/20	08/17/20	Mosier Creek	\$1,121,306		
Yes	08/28/20	09/01/20	White River	\$970,152		
Yes	09/07/20	09/17/20	Beachie	\$2,684,856		
Yes	09/07/20	09/17/20	Lionshead	\$144,720		
Yes	09/08/20	09/15/20	Two Four Two	\$298,159		
Yes	09/08/20	09/20/20	Holiday Farm	\$3,719,647		
Yes	09/08/20	09/22/20	Echo Mountain	\$1,539,840		
Yes	09/08/20	09/13/20	Powerline	\$377,308		
Yes	09/08/20	09/10/20	Pike Road	\$12,060		
Yes	09/08/20	09/17/20	N Cascades Complex	\$3,081,877		
Yes	09/08/20	09/15/20	Almeda	\$425,432		
Yes	09/08/20	09/18/20	S Obenchain	\$992,676		
Yes	09/08/20	09/17/20	Riverside	\$2,589,860		
Yes	09/08/20	09/19/20	Archie	\$312,938		
Yes	09/09/20	10/02/20	Chehalm Mtn/Bald Peak	\$312,938		
Yes	09/09/20	09/29/20	Slater	\$7,633,729		
Yes	09/14/20	9/19/20	Brattain	\$282,502		
			<b>Totals</b>	<b>\$26,500,000</b>	<b>\$6,625,000</b>	<b>\$19,875,000</b>